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Nuclear Tests and Disarmament

Dr. J. ARNEJČ

THE agenda of the UN Sub-Committee for Disarmament, which is in session in London, includes the question of tests with nuclear weapons. Although it is only one of a series of problems under consideration, the problem of nuclear tests is acquiring ever greater significance in view of the fact that the world public is disturbed at the danger they carry. In the spontaneous torrent of protests and appeals by statesmen, politicians, scientists, cultural and public workers, scientific and other associations and institutions for the cessation of test explosions, one seldom hears the voices of those who venture to defend the opposite view. In so far as any do so, the reasons are of a political and military nature and boil down to intimidation of the other side. It should be said that this argument of intimidation has a greater effect on humanity than on the side to which it is addressed, as the latter draws the conclusion that it should itself continue the tests not to lag behind and in order to be able to intimidate the other side too. So drawing new countries into the same circle: they begin to stress their own nuclear tests with their own products of nuclear weapons. Hence the tests do not contribute to a reduction of armaments nor to a diminishment of the danger of war, but stimulate a new armament race and create ever more dangerous and destructive nuclear weapons.

The world public opinion is not interested in the polemics of scientists and experts as to how many microcuries or microroentgens increase the radiation in the atmosphere after each test, nor how many microcuries of strontium — 90 settles in the bones of man, nor whether the danger comes from the troposphere from two weeks to a months time after the explosion or from the stratosphere years after the tests. Mankind is disturbed by the very fact that nuclear tests bring a series of known and unknown dangers for the human society. It is also to be borne in mind that people are naturally anxious about the future generations which might be condemned to bear the brunt and curs of present trial explosions, all the more so as biological consequences may be so dangerous that nobody has the right to assume such a heavy responsibility.

Despite an obvious working atmosphere at this year's session of the UN Disarmament Sub-Committee and closer drawing of views on some questions, which suggests the possibility of partial understanding and agreement, the attitudes in regard to tests with nuclear weapons are still so wide apart that an agreement at this juncture is out of the question. The question of test explosions certainly cannot be conditioned by the solution of other questions, it is a question by itself, but is connected with other problems

and particularly with the problem of further armaments so it should be considered in the light of the solution of other outstanding aspects of disarmament. For, in the end, nuclear weapon tests result in the introduction of new types of arms, thus contributing to further arming of the great powers. Therefore, when examining various problems in this field, it would be necessary to bear in mind the realization of the ultimate aim — disarmament.

The question of the prohibition of test explosions can be linked also with the cessation of the production and introduction of the control, of fissionary materials which on their part can ultimately lead to prevention of tests in the future. As this question of control is extremely delicate and can hardly be carried out in practice, it should not be linked to other problems nor conditioned by other solutions, if there exists an honest intention and good will to put an end to the tests. Such conditioning and connecting could not lead to a general agreement, nor justify, in the eyes of the home public opinion, the continuation of explosions under the slogan of not permitting the other side to go ahead in nuclear armaments. It would be difficult to imagine the suspension of test explosions by a simple declaration, without the necessary guarantees or establishment of control over the suspension of tests. Although it is rather difficult to conceal

the execution of some experiments, at least bigger ones, it is still feared that it would be possible to carry out the tests under such conditions as would ensure full secrecy, or that it would be possible to learn about them only when a significant priority has been achieved in nuclear armaments. Although it seems impossible today to conceal the test, it is believed that this might be successfully done in the future and that just such a system is under way. Hence mistrust in the efficaciousness of a declarative renunciation of nuclear tests. This mistrust should be deprived of arguments by establishing a scientifically based and acceptable control, preferably through the UN organs. The scientists would be in a position to work out such a system of control as would give an assurance to statesmen and politicians that it would not encroach on the sovereign rights and position of the states.

Therefore, the basic task today would be to eliminate suspicion and mistrust which reigns among the states — possessors of nuclear weapons, and this might be achieved by such a proposal as would contain efficacious measures in that sense. The state undertaking such a role and submitting a realistic and acceptable proposal would get strong support from the world public which is awaiting practical results from London.

It is perhaps unrealistic to demand of the Sub-Committee, to take an immediate final decision. Under the present conditions it would perhaps be better to await a gradual realization. But at the same time it should be carefully considered whether these individual proposals actually constitute a way towards a final cessation of nuclear tests. The consent in principle of the countries carrying on with the tests to examine this problem, would be a relaxation as well as the

first answer to the demands of the world public which emphatically demands a suspension of nuclear tests. Details could be examined later, during the phase of negotiation. It might also be possible to stop the increasing of the number of countries which are making the tests, as the economically and technically developed countries might advance their reasons for making their own tests.

Our attitude has been set forth quite clearly and unambiguously by President Tito in his statement of May 15th. His appeal is the expression of our consistent struggle for peace in the world, and the echo with which it met in the world proves that he expressed not only the opinion of the Yugoslav people but also answered the tendencies and feelings of the whole progressive mankind.

VIEWS AND OPINIONS

IX PLENUM OF POLISH UNITED WORKERS PARTY

M. SMEDEREVAC

THE October changes in Poland have given a new orientation, substance and tempo to a process which began more obviously in that country already at the beginning of 1955 and whose fundamental objective was the elimination of a series of contradictions and absurdities stemming from the previous period. The unity of the party and masses so conspicuously manifested during the October days concerning the programme of the new leadership which was inspired by the firm resolve to place the relations with other countries on the principle of equality, equal rights and non-interference was of course unable to stand the test of further vigorous socialist development. The differences and divergencies between the various currents in the party whose inception and struggle accompanied the process of democratization were broadened still further over the implementation of the decisions of the VII plenum.

Roughly, one of these currents consists of those forces and cadres in the party which qualify the charting and realization of the specific Polish road to socialism as revisionism and deviation from the fundamental social laws of socialist development and the principles of proletarian internationalism. These forces considered the difficult economic situation which is a result of the policy pursued in the preceding period, and the specific political situation and changed balance of power as a proof of the correctness of these views. Basing their views and motives which seem to be common to all who are being relegated to the background by the onward march of society, this current of doctrinaires and conservative elements

opposed the realization of all that constituted the essence of the October programme.

The second current, the so-called revisionists consist of those elements who supported the October changes without reserve and who contributed no men share to the implementation of the latter. However these elements are not always satisfied with the scope and content of the October programme believing that depth fulfilment of the programme is being „diluted” in practice and demanding, a solution in the so-called „integral democracy”, equal for one and all, in such political mechanism, which according to the assessment made by the Plenum, objectively implies the abandonment of the principle of the dictatorship by the proletariat and deliberate blindness to the concrete situation and balance of power, the disarmament of the party in the struggle with the accumulated difficulties and the resurgence of anti-socialist powers.

The fundamental objective of the IX Plenum (held in Warsaw mid-May) was to create such a programmatic platform based on the October decisions of the Central Committee, which would provide a basis for the consolidation of the party and the accomplishment of its unity.

Therefore precisely those key problems predominated in the report of Wladyslaw Gomulka and the resolution of Plenum which are characteristic of the present course of socialist development in Poland and represent the line supported by the leadership and the majority but which are at the same time the subject of disagreement and contention in one part of the Polish United Workers Party.

Apart from many others, these problems (increased powers of local government organs, relations between church and state, as well as between the Polish United Workers Party and other parties, economic policy etc) also included workers management, farm policy and the place of Poland in the international workers movement.

The IX Plenum defined the place of workers councils in the mechanism of socialist democracy and their role in the economic system far more precisely than two previous plenums of the Central Committee.

The workers councils in Poland were qualified "as a form of workers democracy within the system of the dictatorship of the proletariat" which are devoid of the character of organs of political power of the workers class.

The Plenum denounced the tendencies which appeared parallel with the practice of the newly established workers councils, towards their linking up in to higher common forums as well as some other conceptions as regards the development of workers management.

These tendencies were manifested in three variants:

According to version one the higher organs of workers management should take over many of the previous functions of the state apparatus in economy. The Plenum adopted the standpoint that this would represent an "anarchist Utopia" as it would render the existence of the governments and state organs in economy unnecessary.

The second departed from the standpoint that general directorates and the higher state economic apparatus hamper the normal development of workers management, so that a solution was sought in the proposal on the division of power in the general directorates between the representatives of the workers councils and state bodies.

The Plenum did not consider such solution would afford sufficient guarantee for the better work of the higher state organs in economy considering that the problem lies primarily in the personnel policy in those organs, provided that social control over the latter be abandoned to the trade unions.

The third version foresaw the transfer of the means of production from the general social to collective ownership of workers in every individual factory, thus presupposing the absolute independence of workers councils and other factory bodies of the directives laid down by plan and the orders of the higher economic organs.

In the opinion of the Plenum such a practice would create the necessary conditions for the free play of those economic laws which predominate in capitalist economy.

Generally speaking the Plenum based its attitude on the conviction that centralised planning in the economic system represents a law of socialist development and that every measure which would reduce the effectiveness of this planning would entail dislocations in economy and that therefore the scope of competence and direct influence of workers councils should not be extended beyond the limits of the enterprise.

The functions of the workers councils were defined in the light of such conceptions and cover the struggle against lack of discipline and squandering, organization of work, the distribution of the special enterprise fund, the better utilization of the producer capacities etc. i. e. all problems of economic policy in enterprises which are not covered by the plan directives and the competence of the state organs in economy.

The workers councils in Poland have only a several months of activity and experience behind them. However even within so

brief a timespan workers management in that country revealed certain tendencies of future development. There can be no doubt that their further development which is taking place this time in a comparatively advanced country with a high degree of industrial concentration, will place an ever greater number of new problems on the agenda, whose solution, — while eliminating contradictions, — will strengthen socialist democracy in Poland and enrich socialist practice in general.

The October Plenum formulated a new course of farm policy which was worked out in greater detail by the joint declaration of the Polish United Workers Party and United Peasant Party and the Plenum. The new farm policy which the conservative forces denounced as leading to the restoration of capitalist relations in the countryside, contains two fundamental elements. The first consists in the postulate that the previous system of administrative management should be replaced by a system which will ensure the maximum economic stimulus to all farm producers to raise production, and second, that the present policy of creating socialist relations in the countryside should be implemented by means of the association of individual peasants in various self governing economic organizations which would provide for collective ownership over the given means of production. In other words, the starting point does not consist in the socialization of land, but collective ownership of heavy machinery etc., namely in a given common economic activity and a common disposal with the means of expanded reproduction on such a basis. The aim of such a policy is that the individual peasants associated on a voluntary basis according to economic interest, should carry out an ever greater volume of their economic activities, through social forms, thus replacing small scale production to an ever greater extent by social production and socialist relations among the producers.

According to the assessment of the IX Plenum such a policy which is based in many details on the prewar traditions of the progressive cooperative movement in Poland, represents the only correct and economically justified orientation of farm policy.

Greater independence in the socialist development of individual countries placed the problem or interpretation and application of the principle of proletarian internationalism into the forefront of public attention. In his report to the IX Plenum, Gomułka stated that there are people in Poland and elsewhere who consider that respect of the principle of proletarian internationalism presupposes the absolute agreement of all workers and communist parties throughout the world on all, even minor problems.

In the opinion reached by the Plenum the existing inevitable differences of opinion and practice between the individual socialist countries and parties, in as far as they do not transcend the socialist framework, far from weakening proletarian internationalism, enrich the general socialist development and infuse it with new vigour.

Such inevitable differences render mutual acquaintance, understanding, exchange of opinion, and loyal discussion based on facts are the more necessary. As stressed in the report the correctness of a given attitude or view is best tested in practice.

Practice is also the best criterion of the contribution of each country to the general experience of the socialist movement. Hence also the Polish contribution in this respect and its general role in the international workers movement, depend, as stressed at the Plenum on how the Polish United Workers Party in the changed situation will resolve the complicated problems of socialist development.

Taking such views which objectively stem from the essence of the October changes as its starting point, the Plenum denounced

the tendentious attempts to label the Polish ideas and practice as „national communism“.

Such attempts to say the least, ignore the fact that contemporary socialist development throughout the world can no longer be confined within specific obsolete clichés, as this process is advancing through different forms, eliminating sometimes gradually and sometimes suddenly all the accumulated contradictions of contemporary society.

It is therefore unrealistic to determine the contribution or loyalty of the individual countries and parties to the international workers movement according to the coincidence or difference or practice in the latter from the precreated fossilized and long since obsolete clichés. The attitude of the central committee of the Polish United Workers Party on these problems leaves no doubt that Poland is an integral part and an increasingly significant factor in the international socialist movement.

EUROPEAN ECONOMIC COMMUNITY

(PART III)

L. ERVEN

THAT results this Community will yield, remains to be seen and a large-scale optimism or pessimism is permitted in this connection. Without entering into such speculations, we shall make several remarks, in this concluding part of the article, as a supplement to the information supplied in the previous two parts.¹⁾

1) A GERMAN VIEW

Speaking at a press conference about the common market, the West German Minister of Economy Dr Erhard said that it „undoubtedly answers a political need, but that it remains an economic nonsense“. He pointed to certain contradictions existing between the economic interests of Germany and France, and it seems senseless to him to include these contradictions in a single common market. Still, he admits that a common market would be a new incentive for the strengthening of European political unity.

Actually, this estimation too, contained a nonsensical statement, for there is no nonsense, whether economic or not, that could meet any serious need, least of all political. If this Community proves an „economic nonsense“, it will not only fail to give further incentive for achieving a stronger unity of Europe but will also stifle the existing enthusiasm towards that goal. Dr Erhard probably landed in this contradiction out of two fears: the possibility that this Community may check the freedom of expansion of German economy, which is well-off today, and second, — he had no wish to oppose the idea of European unity which his chief upholds in propagating his European policy. But in any case, it is not uninteresting to note this view of the head of German economy on the Community in which his country is to play a very important role.

Actually, the „economic“ and „political“ factors in the European Community, as well as elsewhere, are closely linked and mutually conditioned. The setting up of this Community is viewed also as a preliminary phase of political intergration in Western Europe. The idea of that integration has already suffered two failures: one in a direct attempt to set up the European political community which has been abandoned already in the earlier talks,

The IX Plenum has shown that there are not and that there cannot be any deviations from the basic course formulated at the last October Plenum. However the affirmation and development of the October programme is impossible in practice without the unity of the Party, — which was considerably shaken of late. The closer elaboration of this programme which was done at the Plenum provides an indispensable condition for the promotion of the necessary unity within the Polish United Workers Party ranks. Faction struggle would cause irremediable damage, so that a resolute course was adopted aiming at its liquidation at the very beginning. The further measures aiming at the elimination of the existing problems and contradictions which the leadership of the Polish United Workers Party will undertake in accordance with the needs of further socialist development and the interests of the international workers movement will doubtless play an important role in this respect.

and the second with the European Defence Community which reached the stage of signing the agreement, but was rejected in the ratification procedure. Should the way through the economic community prove to be unpractical — then the idea itself of political unity would have to be postponed as a project for which a suitable way cannot yet be found.

2) A FRENCH VIEW

Some views which come from the French side about this community are worthy of note. They take into account the position of overseas territories.

The former French Minister Maurice Schumann said for example, in a speech which he delivered at an official lunch, that only this Community is in a position to „offer efficacious assistance to under-developed peoples of Africa and prevent them from becoming Communists“ — by promising workers, in regard to prosperity and living conditions, the realization of those aims „which Communism offers them“.

His colleagues Maurice Faure, the State Secretary in Foreign affairs, said in a lecture in Washington that the clauses on overseas territories constitute „the most revolutionary part of the agreement“. According to him the common market is not aimed at placing African peoples under a kind of neocolonialism, nor seeing that colonies „be commercially good business“. Its significance is both political and strategic. Its aim is to solve — the problem of awakened nationalism in Africa. At a time, says Maurice Faure, when France and Germany are allying themselves, as each is too little to remain alone, „it would not be wise to grant independence to such territories which, as Senegal for example, have only a million or so inhabitants. „Euroafrica is the only way to solve the problem of nationalism“, said Maurice Faure in conclusion.

The European Economic Community is viewed in these statements only in that part which touches the question of African colonies and — evidently — from the aspect of French „African complex“ which is a dominating factor in French foreign policy today. In the words of Maurice Schumann this Community is taken as a sort of West European Eisenhower Doctrine: struggle against Communism — through the raising of the economic standard of

¹⁾ Review of International Affairs Nos. 170 and 171.

under-developed African countries. Maurice Faure, however, points to the awakening of nationalism in Africa. If both of them think of the same, which would be a logical assumption then, for Schuman, the problem of Communism is what the problem of nationalism is for Faure, while for both this Community is an instrument for removing this Communism and this nationalism respectively, from the African area.

But regardless of this terminological confusion in marking the object of political action of the Community in Africa, what is involved is certainly to suppress the movement for emancipation of African colonial nations from their colonizers and their struggle for independence. The task of the common market in Africa would be therefore, to prevent or at least hinder, or reorient, the emancipation of these areas by an economic inclusion of African territories in the system of the European Economic Community. This will no doubt be one of the aims of expansion of the common market and the Community's investment policy to the overseas territories. But it is difficult to agree with Maurice Faure that this constitutes "the most revolutionary part of the Agreement". For, if the struggle of the colonial nations for freedom and independence is one of the revolutionary manifestations in contemporary development of international relations, then this "most revolutionary part of the Agreement" in its motives and aim, would really have an openly counter-revolutionary character.

THE ROLE OF OVERSEAS TERRITORIES

The position of overseas territories (a common name for all types of colonies governed by members of the Community) has not been definitely fixed in this Agreement. It was fixed for a five-year trial period by a special convention. After the expiration of that period, a new convention will be signed in accordance with the results shown. For the present, members of the Community have only the intention of including the colonies, in a limited way, in the common market as well as of taking steps for the development of their economic prosperity and raising of the standard of living through a special Investment Fund.

Although, in Maurice Faure's words, the colonies today are not "good business", only those clauses of the Agreement which refer to trade have been extended to include them. The colonies have been included in the common market, but not with the whole system which regulates the functioning of the common market in Europe.

The functioning of this limited common market in the colonies will not be identical everywhere, as it depends on the differences of colonial administration and internal territories in the Community, and can briefly be defined as the opening of colonial markets, under the same conditions for all members of the Community, while a common tariff rate valid at that period will be applied in trade with third countries. As the tariff rates of mutual business transacted between members to be also applied in colonies, will be gradually reduced and finally completely abolished, while the tariff rates with third countries, which will also be used in trade with colonies, are to be only equalized at the medium level of special tariffs — the third countries on the colonial market will be placed in a more unfavourable situation that the member countries of the Community. For all members it will be a preferential market, which in the past was only as far as the colonial power in question was concerned.

The difference between the setting up of a common market in the area of national territories of members of the Community and inclusion of colonies in that market, is that the territories of the colonies are alien territories, which are only under the administration of the individual colonial countries, and not included in their full sovereignty. The international regime, under which various colonies have been placed differs in each case, but — on the basis of the general principle — they do not constitute the national territory of the countries — metropolises. According to the general principles of the United Nations Charter, the colonial administration aims at preparing the colonies for independent life and all the measures which the colonial country takes — political, administrative, economic and social, — should have the ultimate

aim of enabling the colonies to govern themselves independently. The principal object to be borne in mind is the interest of the people and colony respectively — and not the interest of the colonial state in question, nor any groups of colonial countries, including economic groups. Hence the inclusion of colonies in the economic union of a group of West European countries constitutes an overpassing of powers which international law reorganizes to the Metropolises of colonies. This overpassing is even more evident in the case of those colonies which are under trusteeships and where the colonial power has the United Nations mandate, as for example in the case of Togo, Kamerun and Italian Somaliland which are likewise included in the common market.

The establishment of a different commercial regime in the colonies members of the Community and third countries, has a character of economic discrimination to the detriment of countries outside the Community. This is particularly valid for the mandate territories where the Charter expressly lays down the equality of all the United Nations members as regards application of economic and social measures. However, by including colonies in their common market, with the preferential regime in mutual trade, the Community in a way and in a definite degree, monopolized the economy of the colonies for the aims of their own economic policies.

In this light, the Investment Fund "for the progressive development of overseas territories" reveals certain special aspects of its task, although it could not be denied that the economy of colonies will benefit by its investments. We do not doubt that the progress of colonies is one of the motives of this Fund, but it would be too much to believe this motive is devoid of all practical considerations as regards those benefits which the investors expect from the preferential business transactions with a more developed economy of colonies. Western Germany, which has no colonies, invests in that Fund much more than some members who possess colonies and as much as France, which has more colonies than any other state. Except France which receives much more than it gives, all the others give much more that the Fund will invest in their colonies. This is already a sign that the colonies, no matter to whom they belong, have become common economic sphere of this Community.

The functioning of this Fund is not clear, nor are the details of the economic plan which is to be realized through it, as documents about it have not been published. But in any case nearly 600 million dollars is to be expended in five years. Much can be done with this sum.

Certain doubts about the character of economic and political consequences of the Community policy in colonies through this in this Community which is created for the purpose of advancing Fund, are appearing in connection with the role of these colonies the economic interests of six European countries. This role has been described in the Agreement as a passive expansion of the European common market in the colonies. It would be logical to suppose that the policy of investments too will be given priority in the form of the needs and interests of that market. The past economic policy of the Metropolises in most colonies has been conducted without big long-term plans, with considerable economizing, and was confined to the utilization of already existing processes of exploitation under more or less primitive forms of native economy. The only exceptions were perhaps, some important raw material sources of world renown or strategic significance. The new investment policy will certainly mean a rational and planned "mise en valeur" of all the resources of African colonies which, are introduced to the economic area of the European Economic Community through the common market. The Little Europe, as will be seen, is endeavouring to come by a large area for the expansion of its economic policy.

4) WESTERN GERMANY

As in all organizations of international cooperation in Western Europe, Western Germany is a member also of the European Economic Community. The complete establishment of this Community in all its final forms, is to take place within period of twelve years — a brief period. During this time, the economy of Western Germany, through the common market and other measures of the common economic policy, is to be included, gradually in the system of this Western European economic organization.

Western Germany is today a separate and independent state — but still only a part of the German state. The first and basic aim of its state policy is the unification of Germany. The unification

of Germany is considered today — more or less sincerely — by all the decisive international factors as one of the essential goals of European policy. Therefore, Western Germany, such as it is today, is a provisional phenomenon which may disappear, through German unification, already in the course of the organizing of the European Economic Community. The problem of German unification has been outstanding for the last twelve years; it is assumed that it will not be open for another twelve years. The Western allies suppose that a united Germany will assume the foreign policy and international situation of Western Germany. But this is only an assumption of the one side, which is rejected by the other part of Germany, and which in all its consequences has not been unanimously accepted in Western Germany either. The question is whether United Germany will take place of Western Germany in this Community. It might happen that united Germany is of a different opinion, and it might happen also that the position of united Germany be changed so much as to create a situation in which the other partners of

PERSONALITIES AND POLITICS

Gunboat Diplomacy

We would hardly mention again in this place the esteemed Lord Hinchinbrooke, one of the most conservative of Conservatives, were it not for the fact that many of his recent remarks in Westminster really constitute a synthesis of conceptions which spring on many sides like water lilies. Yesterday on the question of Makarios, today in connection with the renewal of navigation through the Suez Canal, and tomorrow perhaps in a matter where realism will once more have the upper hand over delusions and illusions, Lord Hinchinbrooke will consider himself called upon to set forth before the House of Commons the code of his beliefs and raise his voice against the policy of good will and tolerance. And each time we shall witness the drastic truth that it is not a question of Robinson among men, but of a man who is not without followers of the same mind at various points of the Globe.

- Compromises lead to destruction.
- History has proved the advantages of gunboat diplomacy.
- One should be ready not only to wound, but also to strike.

- If the UNO cannot be used as an instrument of British policy, it should be abandoned.

These are the words of Lord Hinchinbrooke who is backed in the House of Commons by seven other Conservatives seven gentlemen who deserted Mr Harold Macmillan because he "capitulated before Nasser". In the House of Lords Lord Salisbury dramatically asserted that "all free countries would have sided with Britain had she taken a firm attitude in relation to Suez", analyzed measures which Great Britain should take in order to restore its "moral leadership in the world" and proposed — the boycott of the Suez Canal! What the moral recipe of the Milord seems to lack is only morals. If it had that, the recipe would answer its purpose.

It must be said that the Conservatives are sometimes ultra conservative. But why the last of the Mohicans in the Suez adventure, the last and most stubborn, are the French Socialists and Guy Mollet? Guy Mollet, who, as even the bourgeois papers wrote, had not acted like a Socialist in the matter of Suez, — but then he acted like a Frenchman — as if the interests of France were today on the bows of ships sailing around the Cape of Good Hope or in the lists of the shot in Algeria.

These political arabesques are confusing — they are because people have learned to distinguish between ultra conservatives and socialists, and because they have not resigned themselves to the thesis which has won the right of citizenship, namely that morals and diplomacy do not go together.

Morals and gunboat diplomacy certainly do not go together. But isn't our time precisely full of examples of the moral greatness of statesmen and moral strength of states whose political practice is based on the principles which are not pliable like puppets in a puppet show. One should pose the question: what enabled Nasser and Egypt to stand firm when the gunboats faced Port Said — Nasser who in the words of Lord Home is "politically unstable, economically bankrupt and militarily a children's toygun"? What else but his moral strength and the moral strength of the international community — those qualities which are getting an increasing significance in the world we live in.

This should be grasped by all of the remaining Mohicans of our time, regardless of ideological and political epithets.

this Community are no longer in favour of its further participation in the organization. The presence of Western Germany already preponderating in West European economy. A united Germany may change completely the economy and policy of the European Economic Community.

Although this Community is an economic organization with independent, special aims, it assumes that its members pursue a common policy on the military as well as on the political plan. If should happen that future Germany the military-political organizations of the Western bloc — this would raise the question of further participation in this Community. However, when these questions are taken into consideration, Western Germany, as the most developed country of Western Europe economically may be already closely linked to the whole system of this Community so that its alienation might be difficult and fraught with risks of heavy dislocations for the whole Community.

For these reasons, the problem of unification of Germany has become an important problem of the European Economic Community itself, on whose development will depend the success and stability of the whole planned system of a united West-European economy.

5) ATTITUDE TO UNITED STATES

The idea of European Economic Community has met with the support of the United States. This American concurrence will certainly be the result of the American concept on European policy and role of Western Germany in today's international situation which is characterized by a complex of East-West contradictions. This concept is simple and well known, as it has been set forth many times: in order to oppose "Soviet aggression" Western Europe must be militarily united; in order to withstand the "Communist danger" it must be united, economically strong and progressive, strengthening the system and institutions of West European economic and social order. The instruments, with which the United States started, together with the West European countries, in the realization of this policy, were the Atlantic Pact and the Marshall Plan. Later, other forms of international organization were created in the framework of the same concepts of European policy.

The European Economic Community, in addition to other qualities is also an instrument for the realization of this policy. The unification of economic efforts, economic forces and economic possibilities for the purpose of achieving the common economic prosperity should lead to a strong economic union of Western Europe, in which, through the common policy and coordinated plans all its members will strengthen, but this will also ensure the strengthening of the order in which that economic system constitutes a material basis. This is a political side of this economic organization to which the American policy is paying great attention. The basic characteristics of the capitalist system of economy in this Community are very much on the market, economic enterprise and private initiative, free circulation of manpower and capital — in a word the primacy of the principle of free economy over other interests and considerations.

But, despite this, the European Economic Community, in relation to the United States, has another aspect which has often been stressed on the European side. If this Community creates a strong economic union in Western Europe, which will strengthen the bloc position of Western Europe towards the East which is in keeping with the American policy concept — it will also strengthen its position in the framework of the Western Bloc itself — which can also change the internal relation in that bloc. There is no doubt that not only ideological, political and strategic but often economic motives have influenced the international relations between members of the Community and other Western Bloc countries, particularly the United States. The economy of Western Europe in the past was greatly dependent on the economic aid of the United States. This economic dependence also acted on the plane of political relations.

According to certain views, emanating from the circles in the West, the establishment of the European Economic Community will be a decisive move in the process of the political emancipation of Western Europe. This will be a united economic area, which, in extent and number of inhabitants, in natural resources and industrial developments, will become an independent factor of its own economy and that of the rest of the world. The common market has often been compared to the American, as far as the extent and number of consumers were concerned. This comparison, of course, is defective as there are many other elements which determine the strength of an economy. But if this Community builds an independent and stable economic system in Europe — which is the assumption of the Agreement on the Community — it will doubtless constitute a favourable basis for an independent determination of its members also in political question of a more equal factor in the general policy of the Western Bloc than in the past — which may also lead to changes in its relations with the United States.

(To be concluded in our next issue)

The New Course in the Reorganization of Economic Administration in the Soviet Union

I. DOBRAVEC

THE pace of social developments in the Soviet Union after the twentieth congress of the Communist Party arouses justified interest among all socialist and progressive forces in the world. Regardless of whether and to what extent individuals and different progressive and socialist movements in the world agree with the fundamental conceptions which underlie all social development in the Soviet Union, we can say that this interest is due to the fact that the Soviet Union — thanks to its economic, military and technical potential and its political power — plays a very significant role in international life, a role which was made possible by the Soviet Union's contribution to the victory over the fascist forces in the last war and to its political activities in all important events in the international field after the war.

This year Soviet Union is entering the fortieth year as a state which, by the October Revolution, paved the way for new social relations at home, thus encouraging the revolutionary and socialist movement in other countries as well. Therefore, the public of socialist Yugoslavia follows with great interest the latest developments in the Soviet Union, particularly the measures which were undertaken after the Twentieth Congress of the Communist Party and at the beginning of this year, the significance of which has been underlined by the press all over the world.

The tragical conflict of the recent past and the occasional misunderstandings cannot and should not belittle the interest in the contemporary social development in the Soviet Union, the more so since as progressive, Marxist thought has long shown — there is a close connection between the internal political development and foreign policy of every country. The answer to the question why a given country pursues a definite foreign policy ought to be sought in its internal policy, which is, always, determined by the entire social development of that country. For the Yugoslav public the most interesting is the fact that after the Twentieth Congress constant changes have been taking place which are of historical significance for the development of the Soviet Union, and, thus also for the development of the socialist forces in the world generally. This is really of special interest for Yugoslavia also because it is clear that the conditions for mutual cooperation and understanding of the two countries would be more favourable if they should follow at least roughly similar roads of development regardless of the concrete forms of social organizations which are determined by the specific conditions of every country.

In making an analysis of the latest measures of the Soviet political and state leaders, one must take into account all the objective conditions which made it necessary for the Soviet Union to adopt such measures. Rapid industrial development since the October Revolution, but particularly since 1929, when five-years plans were first introduced, has transformed the Soviet Union from a backward country, such as was the Russia of the tsars, into a modern and industrial state. With its economic and technical potential, the Soviet Union has been successfully competing with the most developed industrial countries of the world, and in a very short period it succeeded in forcing its way to second place in that international competition. It is understandable that it is no longer possible for the Soviet Union to direct, from a single centre and exclusively through the state machine, so huge productive forces, although it was forced to do so in the period after the Revolution. The administration from of about 200,000 modern heavy and light industry enterprises and about 100,000 different construction sites from a single centre could not but produce difficulties — the inadequate exploitation of industrial capacities, stagnation in labour produc-

tivity, disruption of normal economic relations between different industrial branches, non profitable use of local reserves, high production costs and restrictions of the initiative of direct producers. As the productive forces were being expanded and new enterprises opened, this centralized economic administration required constant increases in the number of state employees.

In other words, economic development in the Soviet Union showed plainly that the system of centralized economic administration, which was necessary in the years after the October Revolution and during the first phases of the country's reconstruction and economic development, was inadequate to direct the swelled production forces; that it was unprofitable, and that by some of its elements it acted as a conservative check to further economic progress. This was stated — in different words, perhaps — at the February Plenum of the Central Committee of the Communist Party, as well as at the last meeting of the Supreme Soviet.

This situation reflected itself also in other fields of social life in the Soviet Union. The concentration of power in the hands of the state administration was responsible for bureaucracy and various other negative trends which harmed not only production, but entire social relations as well. How acute was the problem of bureaucracy is shown by the fact that two or three years ago the Soviet press begun to sharpen its attacks against bureaucratic tendencies. The rights which in such a system the state administration exercised were so great that work of the representative organs of Soviet power (local, provincial, republican and the Supreme Soviet) was restricted to more or less formal approvals of measures undertaken by the executive and administrative bodies. This, too, was in essence concluded at the Twentieth Congress and at meetings of the leading political bodies after the Congress. The Soviet press now says that until 1953 the legislative work of the representative organs was relatively restricted, and that therefore a number of new relations created by objective developments in the Soviet Union have not been legally sanctioned.

As it was stated at the Twentieth Congress and at different meetings of writers, artists and scientists, this situation led also to an incorrect orientation of scientific and artistic life, particularly in the field of social sciences.

One of the results of all this was also the cult of the individual which did not involve the glorification of only one person, but which had many examples in Soviet society. The condemnation of the cult of personality at the Twentieth Congress — even if the social relations which led to it remained largely unexplained, is praiseworthy because it tends to eliminate such an attitude in general, and not only in relation to one particular person. This must be admitted even if it might be considered that the concrete measures undertaken in this respect were not sufficiently effective. The very fact that, in addition to propaganda against all these trends, practical and relatively bold steps are being taken in economy, in which all negative and positive manifestation in the social superstructure originate, shows that social development in the Soviet Union is in harmony with the decisions of the Twentieth Congress. This reveals the resoluteness of the leading subjective forces not only to remove all insufficiencies, the consequences of subjective factors, but also to approach the solving of fundamental problems which arise from the objective and rapid development of the economic basis of the Soviet Union. In other words, the new measures in economy — and not only in economy — do not tackle only the subjective errors and insufficiencies, but also problem which accompany contemporary development in general, problems particularly marked

in the countries in which through a revolutionary struggle the working class has come into power and tends to develop socialist relations using the state administration as the chief lever in its struggle.

The key question in all this is, there is no doubt at all, the system of economic administration. The experience of other countries which are following a road towards socialism shows that the management of industry through the state machine no longer corresponds to the degree of development of the contemporary productive forces. The latest measures in the reorganization of economic administration in the Soviet Union too confirms this experience. For as the productive forces in any country grow they demand decentralization of administration, the more so since they seek full freedom for the initiative of the producers.

The spontaneous demand of the workers for the greatest possible participation in the administration of production, which is being made in one way or another all over the world today, and which has become a subject of extensive discussions in the international workers' movement, is in fact a demand for a more profitable and economic use of the means of production through which the function of production and management are interlinked.

This is a democratic demand of the broadworking masses, for that would free their initiative from the checks to which it is subjected in a system of centralized economic administration.

The reorganization of economic administration in the Soviet Union contains two essential elements. The first is the view (and corresponding measure) that due to the increased productive force it is necessary to decentralize economic administration, preserving naturally, the essential unity of the national economy. The fact that in discussing the latest measure the Soviet press avoids the word decentralization is not essential, and it does not change the objective value of the measures undertaken.

The other essential element — which is less emphasized and which has not yet found proper place — is the demand for the development of the initiative of workers, for their participation in economic administration, even in a consultative form, not directly but through the trade unions.

The latest changes in the Soviet economic administration must therefore be considered from this view point; one must consider all the positive tendencies as well as possible insufficiencies and inconsistency which, owing to the prevailing conditions, still accompany such changes.

COMMENTS

The Italian Crisis and Its Roots

Nikša DUBRAVČIĆ

ON MAY 6, Italy was suddenly confronted by a Government crisis which was all the more unexpected after the failure of the attempts to bring about a rapprochement of the two Socialist parties so that the coalition of the bourgeois centre was expected to continue over a longer period. It was still expected that the cabinet crisis would be provoked by Saragat who only two days before withdrawing from the government resolutely urged the continuance of the centre coalition. The Socialdemocrats had four ministers in the Government and their withdrawal left the Segni cabinet in a minority in the parliament. Prior to this the Segni Government established hardly two years ago had a very insecure life in Parliament where for a certain time it enjoyed the theoretical majority of a single vote.

In view of this, the split of the coalition was no surprise to political observers, all the more so as the activities of the last coalition government were paralysed owing to differences of view on vital internal problems. The differences and conflicts broke out both within the framework of the coalition as well as the parties which constituted the coalition — the Christian Democrats, Social Democratic and Liberal parties. The fourth party, the Republicans, left the coalition a few months ago owing to its extremely conservative orientation.

The present government crisis is the fourth consecutive crisis during the past four years and the new cabinet of Adone Zolli consisting exclusively of a Catholic minority is the seventeenth Italian post-war government, so that Italy is second only to France which holds the European record in this respect. This detail however testifies to the chronic instability peculiar to the internal situation

in Italy in the post war period, when new governments alternate with fresh crises. This is a period in which governments are short lived, while the government crises or intervals without government are prolonged.

However this does not explain the essence of the Italian instability. The explanations according to which the crises are due to successful or unsuccessful elections or coalition experiments overlook the actual causes of instability. Analysis of Italian post-war development shows that deeper crisis of social and economic relations underlies the parliamentary scene of contemporary Italy. More than in any other Western country the Italian problems are of a predominantly economic and social nature. However as the inadequate means on the plane of superficial coalitions between the political parties, it was impossible to liquidate make any genuine headway in this respect. The real thing was lacking, namely a bold and resolute political course aiming at the radical solution of all the crucial internal problems.

THE RISE AND DECLINE OF THE CHRISTIAN DEMOCRATS

This thesis is best illustrated by the internal development in Italy during the past decade in which two phases can be clearly discerned: the first which covers the period from 1949 to 1953, and the second which began after the general elections in 1953 and ended by the fall of the Segni cabinet. In the political and parliamentary sense these two phases mark the high and low tide of Christian Democracy which by its numerical force and dominant position in the division of political forces was the hub of all solutions and combinations.

The first phase is the triumphant period of Christian Democrat domination. At the 1948 elections the Christian Democrats polled 12,700,000 votes and with 30 of a total 564 mandates represented a sovereign force in parliament. The external stability which accompanied the homogeneous clerical rule at that time was only apparent in fact as it was not based on internal reforms of an economic and social nature but a transient result of skillful acrobatics with the internal policy of demagogic promises and a foreign policy marked by chauvinism and adventurism. Needless to say, such a policy could only fool the people some of time, just as the equilibrium based on demagoguery was no more lasting than a balloon performance from which the public departs before the curtain falls.

The balance of the first phase was disrupted as soon as the Italian electorate realized that the policy of postponing structural reforms left their fate to oblivion and uncertainty. They expressed their disappointment at the June elections in 1953 which marked the end of Christian Democrat supremacy.

The second phase is the period of decline of Christian Democrat power and influence. They lost a total two million voters at the June elections who passed over partly to the Monarchists and neo-Fascists (whose demagoguery although cheap did not remain without influence during the period of European tension in a situation when the voters felt more than helpless and partly to the left which would have probably more success if its verbal radicalism had not frightened more voters away than it attracted. The balance of power in parliament changed appreciably: the neo-fascists had 40 seats on the right, the Christian Democrats had only 265 seats, the Social Democrats 19, Liberals 14 and Republicans while Nenni and Togliatti held 143 seats on the left wing.

In such a parliamentary situation coalition became a form of government. It

true that the Cristian Democratic remained the leading party in Parliament, but there was no more place for a homogenous government. In order to retain power they had to enter within coalition combinations. Of three theoretical alternatives: a coalition with the neo-fascists (which would have compromised them before the electorate), a coalition with the left (practically impossible owing to the opposition of the Vatican and the clerical-industrial right wing) and a coalition with the parties of the bourgeois centre, they chose the last. The coalition was established on the basis of a specific compromise: a concession was made to the Liberals on the line of laicism, the support of the Republicans was enlisted by the affirmation of republican institutions, and that of the Social Democrats by assigning an appropriate importance to internal problems relating to agrarian reform, employment, fiscal policy etc. in the government programme.

Theoretically a coalition government represented the most realistic solution. The reason why it was incapable of overcoming the pitfalls which threaten such a heterogeneous government in parliament and elsewhere should be sought in the lack of a bold approach to the solution of social and economic contradictions and a moderate and realistic external programme. Concessions to the Vatican and the industrial and feudal oligarchy deprived the coalition from its very inception of all marks of progress and rendered it incapable of meeting the demands of the nation. Making no progress, seeking egress from a position of permanent instability, the coalitions succeeded only in replacing one unsuccessful experiment by another still less successful. De Gasperi died in 1953 and Piccioni who succumbed to due in 1953 and Piccioni who succumbed to his "specialist" government followed by the routined but ineffective team of Mario Seelba so that at last Antonio Segni found himself exactly where they began. In the labyrinthine complex of political ferment and contrasting interests, the Segni cabinet of whom more was expected than it was able to give, feel as a victim to the concessions made to conservative right-wing currents. Thus the prospects for the formation of a stable coalition government are for the time very unlikely.

THE MARCH CRISIS

The internal crisis of the Segni Government was manifested in all its force already in June this year when the four party coalition began splinting owing to the political conflicts which blocked its effectiveness from the very beginning. It was then that the influence of private monopolies on the government gained supremacy and its subservience to the interests of the big landowners became more obvious.

The economic ground on which the numerous coalitions vegetated provided the following picture. Notwithstanding the increase of national income, the reconstruction of many plants and reorganization of the production system, unemployment remained on the 1958 level; about two million permanently unemployed and about as many partly unemployed. Fresh investments only aggravated the disparities, as the monopolies and private interests freely manipulated the economic instruments, primarily investments which are a decisive instrument in the fulfilment of the structural transformation in industry and agriculture. The classic disparities between North and South remained unchanged; average income on the land-hungry share-cropping South was two and half times lower than in the industrial north. The

South is a region of elementary exploitation both with regard to the market and labour. The demands of the left-wing parties for a sweeping agrarian reform which would put an end to the system of big properties remained unfulfilled the same as the demands for the promotion of the economic initiative of the state, the consolidation of state enterprises and the nationalization of the basic sources of energy. The doubling of production during the past eight years did not influence the reduction of unemployment and the improvement of the standard of living, as the increase of national income aimed exclusively at raising in favour of monopoly profits.

All these contradictions converged on the problem of agrarian contracts and the state industry, thus leading to open conflict and crisis within the coalition in March.

The agrarian contracts regulate the relations between the big landowners and the peasants who live by sharecropping. The law on agrarian contracts which the government submitted to Parliament at the beginning of March is of vital interest for over three fourths of the Italian voters. The Social Democrats, Republicans and the Christian Democrat trade union movement demanded that the law guarantees the right to the peasant to remain on the land indefinitely provided they fulfill the obligations ensuing from the contract concluded with the land owners. Such a law would protect the sharecroppers and limit the domination of the feudalists.

The Liberals and the Cristian Democrats however demanded that the law does not only protect the right of the peasants but also give the feudalists a free hand as regards the cancellation of the contract irrespective of the status of the share-cropper.

The Segni Government complied with the interests of the owners of the latifundiae and made a concession to the right, thus losing the support of the republicans and retained power thanks to a few fascist votes. The consequences of this indy with the extreme right were also reflected in the Social Democratic party where a rift occurred between Saragat and the leader of the left current Matteotti. After the refusal of Saragat to withdraw from the conservative coalition, Matteotti sent in his resignation to the post of party secretary.

The state industry is a problem of major significance for the quality and development of the Italian economy. The state industry consists of a series of enterprises of the metal, steel and electrotechnical industry, shipyards etc. in which the state inherited the greater part of stock after the war. Owing to the influence of the Vatican and private monopolies, all the state industrial enterprises are included within the Confederation of Private Industrialists thus depriving the state of the positions which would enable it to exert an active influence on the economic life of the country. In spite of this the movement for the separation of the state industry from the Industrialists Confederation and the growth of etatist tendencies even in the ruling Party led to the formation of a special ministry for the participation of the state in economy.

The conflict broke out between the conceptions on the role and function of the new ministry. The Liberals and the Christian Democrat right as the sponsors of private monopolies in Parliament opposed the new Ministry as a means of state intervention in economy and the organization of the state sector in production. They demanded that the state enterprises remain in the hands of private industrialists and that the function of the state be limited exclusively to the collection of profits from

the state shares in enterprises. According to another conception which was advocated by the Social Democrats, Republicans and the Christian Democrat left wing, the task of the new ministry would consist in setting apart the state enterprises from the Confederation and organize them as an effective instrument for an active regulating role of the state in economy and the curbing of private power.

On this issue also as well the Segni cabinet capitulated before the pressure of the monopolies, this aggravating the crisis of coalition.

SARAGATS MANOEUVRE AND THE SPLIT OF THE COALITION

Saragat dealt the final blow to the coalition of May 6 by his unexpected decision to resign from the Government. He motivated this step by the failure of the Christian Democrats to carry out the reforms due and the fact that after the withdrawal of the republicans into the opposition, one of the fundamental conditions disappeared for the continuance of the policy of democratic solidarity.

This is not the first time Saragat placed a coalition government before a "fait accompli". This "enfant terrible" of the Italian coalition is known as a man of sudden about-turns and unexpected, effective decisions. His policy is the policy of the moment. Only a few days before withdrawing from the coalition he eliminated Matteotti from the post of Party Secretary having demanded the withdrawal of the Social Democrats from a government which is increasingly becoming a cabinet of right wing currents. This paradox if only apparent however. It actually explains the reasons of Saragats action, showing at the same time that the Social-Democrat leader has chosen the moment well for his withdrawal from the coalition.

Saragat was namely accused by his own party for assuming more reactionary positions than the Republicans who deprived the cabinet of their support for having sided with the monopolies where major economic problems are concerned. Saragat was particularly denounced for bearing the responsibility for the failure of the talks on the unification with Nenni's Socialist who demanded the withdrawal of the Social Democrats from the Government as condition of the merger. In this matter the Social-Democrat rank and file showed themselves ready to outstrip their leader; the tendency to unite is becoming ever more the slogan of the day in Saragats Party. Conscious of the fact that he will be unable to defend this attitude at the forthcoming Congress of the Party which could easily demand the withdrawal from the Government also against his will, Saragat resorted to the theatrical gesture in order to forestall the decision of the Congress and publicly manifest his socialist feelings. His decision was hence called forth by the state and trends in his party. He did what Matteotti asked a few days earlier, but not in order to blaze the trail to Socialist unity, — as done by Matteotti, — but in order to prepare the ground for a new centre party coalition with the participation of the Republicans.

Coalition have proved too heterogeneous, however, too prone to succumb to the growing influence of the right, that any new attempt may have a chance of success. The Liberals as a party of conservative interests and an exponent of the economic right is becoming to an ever greater extent an obstacle to the cooperation of the centre especially in the domain of social policy. At the same time currents within the Christian

Democratic Party which are striving towards the clericalization of the state and the establishment of their own power monopoly in the foreseeable future are growing steadily.

Solutions and Prospects: after the withdrawal of Saragat there were three alternatives for the solution of the crisis:

1. The reactivation of a four Party cabinet — Christian Democrats, Social Democrats, Liberal and Republicans, Saragat urged such a solution but the combination failed owing to republican opposition.

2. A four party coalition consisting of Christian Democrats, Social Democrats and Republicans without Liberals, but with the support of Nennis socialists. This plan was thwarted by the leadership of the Christian-Democrat Party for which cooperation with the Socialists is incompatible with the resolutions brought at the last Party Congress in Trento. Apart from this, without firm guarantees for the implementation of a progressive social-economic programme it is un-

likely that the Socialists would risk their prestige in this manner. Saragat was particularly opposed to such a formula for the reason that Socialist support would again render the unification of the Socialist parties topical.

3. A one party Christian Democrat Government as a final alternative. This solution was all the easier for the Christian Democrats as they do not wish to choose between left and right until the next elections in the Spring of 1958 which would cause a split in their ranks. The present monochrome government of Adone Zolli was also set up after severe conflicts according to a specific compromise between various contrasting currents in the ruling party.

The prospects of the new Government in Parliament are not bright; it lacks 32 votes to be a majority which means that it will depend on the opposition groups. Internal instability has consequently not been done away with, but only prolonged all the more so as the new government will most probably only provide a stopgap until the next

elections which are due in less than a year's time. Therefore the programme of the Zolli cabinet can only have a declarative significance as no serious legislation can be contemplated within so short a period.

It is no less a fact however that the Christian Democrats by establishing a one party government assumed a greater political and parliamentary responsibility in a situation which is rather unfavourable than favourable for them. It is not form of government, i.e. — one party or coalition — however which is of prime significance for the solution of the Italian crisis but the policy pursued by the Government. The policy of democratic integralism, compromise and procrastination enforced so far suffered an undeniable defeat. The roots of the crisis should be sought in the economic and social structure of the country. In order to eradicate them, a far reaching leftist social policy directed towards bold and vigorous reforms is required.

This is moreover the general tendency which prevails in Italian political life.

INTERNATIONAL MEETINGS

POWER AND ECONOMIC DEVELOPMENT

THE ELEVENTH SECTIONAL MEETING OF THE WORLD POWER CONFERENCE

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At every stage of economic development of society, the economists consider and expound those questions which are after the general scope of socio-political and socio-economic development. Today, these questions are closely connected with the problem of economic administration, with the problem of planning, i.e. determining of relations between individual branches of economy with the aim of speeding up economic development in general. Within the complex of these problems, power production takes one of the key places. This is due to several reasons.

The fact is that power plays an important role in the development of the productive forces, because it increases the effectiveness of the means of production and the productivity of human labour. Accordingly, the expansion of power reserves is essential condition for increasing the production of material wealth, and consequently, for raising the standard of living.

Apart from this, contemporary industrial production, the increasingly greater mechanization and automation, exert ever greater pressure on power resources by increasing consumption and necessitating changes in the structure of this consumption — greater needs for electric power and certain petroleum derivatives. The growing demand for power and the changes in the structure of power consumption create problems upon whose solution the entire economic development of a given country may depend.

Owing to the small power reserves in a number of industrially developed countries, there is a danger that increases in power production may fall behind the growing consumption and so check industrial expansion in these countries. Lately, this became par-

ticularly apparent in Western Europe, where coal is still the chief source of power.

Other, undeveloped countries, which make a large majority of the world population, do not produce enough power to be able to speed up their economic development. Many of them are hardly hit by this backwardness and they tend to develop industries of their own. But, in this, they encounter numerous difficulties, just because they cannot produce enough power, i.e. because they do not have the necessary power producing plants or because they do not possess sufficient quantities of conventional fuels or water power reserves. The backwardness of these countries is a great problem, not only for themselves, but also for the whole world, particularly for the industrially developed countries which, owing to the restricted markets in insufficiently developed countries, cannot fully exploit those branches of industry which largely depend on exports. As long as the markets in the industrially developed countries were capable of absorbing the goods produced, the problem of development in underdeveloped countries was not acute. The existence of underdeveloped countries was at one time useful developed countries, because they served as sources of raw materials. But, contemporary industries, with ever greater mechanization and automation, produce more than they can absorb, so that it is necessary for them to increase exports, i.e. to find larger foreign markets. However, the poorly developed industries of the underdeveloped countries, the low productivity of labour and the low purchasing power of their population check the expansion of the exporting industries in highly developed countries. The purchasing power of the inhabitants of un-

derdeveloped countries can be increased only by developing industries, and that requires a corresponding power production basis.

As we see, power production is one of the key problems in contemporary development. This increases the significance of those international organs which can — in one way or another — contribute to the development of power production in the world, either by financing investments or by elaborating different matters concerning the use of power in industry. The problem of financing economy, i.e. the construction of power producing plants in underdeveloped countries is still outstanding. It has been and is still being widely discussed in different organs of the United Nations.

But, apart from this problem, we must also mention international cooperation in the scientific field, i.e. exchanges of experience and results of research work in power production and consumption, as well as views on various technical questions which are of importance for the development of power resources and industry in insufficiently developed countries. Data on power production and on the exploitation of various power reserves in the world are incomplete, uncertain and so complicated that it will be necessary to introduce a singly system of presenting statistical information if it is to be profitably used. Further, to speed up the development of power resources it will be necessary to increase power production itself and to make some technological changes in order to increase the effectiveness of the existing power reserves, i.e. to decrease losses in the production, transport and exploitation of power. Finally, it will be necessary to coordinate work on the use of different power reserves, paying due attention to various economic factors so as to be able to exploit certain potentials to the maximum. As an example of this, we may mention here waret reservoirs which may be used for the production of power and for the irrigation of extensive areas of farmland. All this can be accomplished only on the basis of scientific studies, i.e. exchanges of experience which serve to promote economic exploitation of the existing power reserves, to expand production forces, improve the composition of capital by increasing the productivity of labour.

The history of the World Power Conference is, in fact, the study of this problem, in national and international proportions. The World Power Conference was established in 1924. With its work, i.e. exchanges of experience, in which experts from 51 countries take part, the Conference has succeeded in affirming itself in the international field, in securing the status of a consultative organ of the United Nations and UNESCO, and in drawing by its work and results the attention of a number of governments which in their day-to-day business encounter problems in which power production play an important part.

The World Power Conference has so far had five plenary and ten sectional meetings. The plenary meetings take place every sixth year. The difference between the plenary and sectional meetings lies in the fact that sectional meetings discuss definite aspects of power production, while the plenary meetings treat different problems and review statistical data on the development of power resources in individual countries.

Of the sectional meetings, the last two — the ninth held in New Delhi in 1951, and the tenth which took place in Rio de Janeiro in 1954 — were of the greatest importance. In New Delhi one of the subjects considered was coordination of planning and development of industry and power reserves. This coordination, in fact, represents the fundamental lever in directing economy towards systematic and rapid development. In Rio de Janeiro the meeting had a more specific character; it discussed planning in one of the most important branches of power production — electric power. Both these meetings reflected the general changes which took place in post-war economic development, when plannig be-



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came of utmost importance in securing normal and stable production.

The fundamental subject to be discussed at the Belgrade meeting of the World Power Conference, which will be held from June 5 to 10 this year, will make it possible to take a step further in the study of power production, a key problem in expanded reproduction in the majority of world countries, the backwardness of which is the cause of not only their own poverty, but also of the checks to the industrial expansion of highly developed countries. This subject — power as a factor of development in economically undeveloped countries, was proposed by the Yugoslav national committee and accepted by the World Conference. The Yugoslav proposal met with great response. Prominent experts from developed and undeveloped countries have forwarded reports, so that an interesting exchange of experience will take place which will not be useful for the advance of science and technology, but which will also have some effects on the methods of planning in a number of countries where power production is the chief problem of development. However, the chief thing expected from the Belgrade meeting is an encouragement to international cooperation, particularly among experts and technicians from developed and undeveloped countries who can use each other experience to speed up industrialization and raise the standard of living in underdeveloped areas.

Following the initiative of the Yugoslav national committee, the Belgrade meeting will be of special importance. So far the world Conference discussed problems from the technological point of view. However these problems are of a wider significance, since they are general problems of economic development. In fact, the connection between important economic problems and power production was successfully discussed earlier too, particularly at the 1955 Geneva conference on peacetime uses of atomic energy. At the Belgrade meeting, this connection will be further studied in relation to a number of current problems which confront the insufficiently developed countries.

The problems faced by the insufficiently developed countries are very complex. In comparison with highly developed countries, these countries have common characteristics and needs on the basis of which it will be possible to consider — through corresponding scientific analyses — the problem of their development. This is all the more important because the countries involved make

up a majority of the world population. In some cases economic development alone will not be sufficient. Here we have in mind the countries in which economic backwardness is only one aspect of their general social and political backwardness. But there are many countries in Europe, Asia, Africa and South America where changed social and political relations act in a contrary direction, towards quicker development, but where, due to different economic factors, inherited from the past, serious difficulties prevent any rapid development. All these countries are now aware that they must build up their industries and increase the productivity of labour, because that is the only way to gain economic independence, to raise their living standard and develop their productive forces. However, this is a complex problem. Planning economic development, i.e. determining priority of certain projects in relation to entire economic life and to the effect such projects may have on individual economic branches and their different sections is a complex task, in the realization of which it is necessary to compare the experiences of developed and underdeveloped countries. The problem of financing investments in the development of power production is even more complex. For investments in power production, which is the basis of all industries, are quite high as a rule. And the underdeveloped countries can accumulate capital only at a slow rate. It is therefore clear that a solution to these difficulties, which check quicker development in insufficiently developed countries, can be found only in the international field.

Owing to all this and to the benefit of exchanges of experience by technicians from countries with different social systems, technicians who wish to speed up economic development in insufficiently developed countries, the natural resources of which cannot be more profitably exploited and consumption increased and enable economic expansion of industrially developed countries, the Belgrade meeting, of the World Power Conference will, in our opinion, make a significant step forward in the work of this international organization. The achievements of science, the discoveries of new sources of power, and particularly the progress made in the peacetime application of nuclear energy, show that man is capable of surmounting all difficulties and exploiting natural resources, even the until recently unknown but fundamental force of nature; that human inventiveness can overcome all poverty and pave the way by rapid economic development for a better life in which all peoples will be able to enjoy the benefits of civilization.

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THREE PHASES AND THREE DOCUMENTS

— TEN MONTHS OF THE SUEZ CRISIS —

THE actual motive for the recent session of the Security Council lay in the internal difficulties of a cabinet whose days had been counted, rather than in a definite political need which might call for a fresh engagement of this United Nations organ in the settlement of the Suez problem. If this was quite certain even before May 20 and 21, these two days in the East River Building emphatically showed that a lull had occurred in the conflict which had shaken the world and that new attempts to aggravate the Suez problem would be far from popular or significantly supported: even by those who until recently did not hesitate to send their warships to the Suez Canal. For this reason precisely, this meeting of the Security Council (which refrained from taking any decisions) has a symbolical significance of a final accord in ten months and meant a permanent threat to world peace.

In the meantime, although the actions of many were, ipso facto, quite clearly defined and many views and facts became more evident, it is nonetheless persistently maintained on various sides that free navigation through the Suez Canal is not yet ensured. As this accusation figured in various forms during the whole crisis and was used as a pretext for putting pressure on Egypt, it is interesting, at a time when all the prerequisites and conditions exist for creating a *modus vivendi* in the Suez Canal area and when potential possibilities of new conflicts have not yet been quite eliminated — to face certain truths which assumed the character of objective facts in the recent past.

FIRST PHASE: WESTERN POWERS HINDER NAVIGATION IN SUEZ

The question of navigation through the Suez Canal, just as on all international waterways, primarily belonged to the sphere of international law. The fact that it was taken out of that sphere and turned exclusively into a political question could not be blamed on Egypt but resulted from the actions of powers which had special plans and ambitions in the Suez Canal area. When Egypt, by a sovereign legal action, decided to carry out the nationalization of the Suez Company, these powers jumped at the opportunity to make a political problem of it. They were far from proposing the Hague or any other arbitration court as the instance competent for passing a meritorious decision on whether that Egyptian act of law was in contradiction with the international document on which navigation through the Suez Canal was based — with the Constantinople

Convention of 1888. Obviously for two reasons: first — because the act of nationalization was irrevocably affirmed in international law and in keeping with the UN Charter clauses, and second — because the Constantinople Convention itself envisages, in Article 14, the possibility of the cessation of concession to the Universal Suez Canal Company: "the High parties to the agreement agreed that obligations under it shall not be limited by duration of the concession granted to the Universal Suez Canal Company".

The meeting of the three Western Powers in London was followed by incomplete conferences of the Suez Canal users. They were marked by revolt arising from the knowledge that huge income from the Suez tolls would no longer flow into the old safes and that new Egypt had made an important step in the direction of its national emancipation, and not from fear about the future of Suez navigation. The law was ignored and the decision on the withdrawal of foreign pilots from the Canal zone was the first actual violation of the Constantinople Convention which lays down in Art. 1. par. 2, that "the high parties to the agreement have decided not to hinder free use of the Canal". For the first time, the navigation through the Canal was threatened and it was only thanks to the extraordinary efforts of the Egyptian National Company that there was no suspension of navigation through this important international waterway.

The Western Powers continued to aggravate the problem which had been artificially created and brought a definite psychological, political and economic pressure to bear on Egypt on the pretext that they were striving for the freedom of navigation. The exaggerated and dramatized dispute appeared before the United Nations and it seemed for a moment that it would be finally taken off the agenda: on October 13 the Security Council adopted the six principles for the regulation of navigation through the Suez Canal. The Western Powers accepted nationalization as a *fait accompli* while Egypt entered into new obligations and guarantees in connection with the management and use of the Suez Canal.

SECOND PHASE: WESTERN POWERS NEGATE CONSTANTINOPLE CONVENTION AND DECISIONS OF SECURITY COUNCIL

Only sixteen days later the attack on Egypt was made. Three international documents were violated: the UN Charter, the Constantinople Convention and Resolution of the Security Council. If we leave out the

UN Charter — the political and moral imperative against war, obligatory for all Governments of member countries of the World Organization — and confine ourselves to the repercussions in connection with the free navigation through the Suez Canal, we shall see that aggression on Egypt was a direct violation of Articles 1, 2, 3, 4, 5, 6 and 7 of the Constantinople Convention. Thus, for instance, Art. 4 of the Constantinople Convention lays down: "... the high parties to the Agreement are in accord that no hostile act, or an act whose aim is to hinder free navigation through the Canal, shall be effected in the Canal or in the ports at its entrances, nor within three miles of these ports..." and in Art. 5 "...in time of war the countries engaged in it shall not disembark nor embark troops, ammunition or war material in the Canal and ports at its entrances..." At the same time the first, the second and the third principle of the Security Council were annulled: "passage through the Canal shall be free and open...", "the sovereignty of Egypt shall be respected", "the use of the Canal shall be apart from the policy of all countries."

Thus these international documents were completely violated, as their whole spirit was based on these premises. So Great Britain and France, for the second time, trampled upon the right of free navigation in the Suez Canal, preventing it for a time. It was again the Egyptians who, supported by the international community, made whole-hearted efforts to reinstate the normal functioning of the Canal.

THIRD PHASE: EGYPT DE JURE AND DE FACTO FULFILLS CLAUSES OF CONSTANTINOPLE CONVENTION

After the liquidation of the political and military complications, the Suez problem is again to assume its original character of a legal question. If the Constantinople Convention, in view of the circle of signatories, was the result of a concurrence of definite political circumstances towards the end of the last century, its present operation is fully valid because it has become a document of international law: thanks to this capacity, it has transcended political relations under which it came into being.

Hence today the question is posed exclusively as follows: is the legal mechanism, through which the Constantinople Convention regulated navigation on the Canal, in keeping with the current conditions? It seems that the reply might be two-fold: the basic principles which it contains are quite justified and topical even today but, in certain more or less technical details, they might be brought in line with modern standards. The best confirmation of the first thesis is the principles adopted in the Security Council which essentially include the main premises of the Constantinople Convention. The second thesis pleads for modification, in a certain measure, of arrangements connected with the preactical functioning of the Canal.

The memorandum of April 24 shows that the Egyptian Government was obviously inspired by the same view. The memorandum confirms "the Constantinople Convention of 1888 and adheres to its letter and spirit, as an expression of the wish and resolve of the Egyptian Government to see that the Suez Canal should become a waterway that would answer the needs of navigation and link the countries of the world contributing to the cause of peace and prosperity." Technical solutions contained in the memorandum illustrate the endeavours (which are worthy of respect) of the Government in Cairo, to organize, improve and modernize the navigation through the Canal, to see that the situation should not deteriorate in any respect for the users of the Canal, particularly as regards the tolls and that possible disagreements and disputes be settled by arbitration in keeping with the UN Charter as it is a practice when international instruments are involved.

Competent personalities confirmed that the Egyptian Memorandum is an international document, that it means undertaking international obligations and that it happily harmonizes the sovereign rights of Egypt with the interests of Suez Canal users. Thus the problem of Suez would have to be subjectively taken off the agenda: first because it does not exist *de jure* (just as it did not exist as far as Egypt was concerned) and second, because it does not exist *de facto* (just as it did not exist as far as Egypt was concerned); particularly today when formal statements have been made by the Egyptian Government — statements registered in the United Nations in a way envisaged for international agreements and when ships of all

countries are normally sailing. Between May 1 and May 17, for example, 309 ships sailed through the Suez Canal, which is a sign that it is functioning in its full capacity).

It is not yet the case, then it does not mean that today no less than on July 26, 1956, at the time of nationalization, anything threatens navigation on this waterway, but that definite circles outside Egypt are still nurturing certain illusions in respect of reviving their influence on the Canal and in the surrounding areas in one form or another. This is confirmed by French ships which are still sailing around the Cape of Good Hope, by the payment of tolls "with protest", and by the writing of some influential papers including the "New York Times". But an encouraging fact in this context is the attitude of Great Britain, whose delegation is negotiating in Rome with Egyptian representatives on some financial questions the political significance of which is big enough, as a successful outcome would lead to a normalization of relations on a plane where the consequences of the conflict were felt most directly.

If the past may serve as a guide for the future, it is clear that "the arguments" which were heard recently in the Security Council (namely that it is uncertain what Egypt might undertake tomorrow in disregard of the Constantinople Convention) could really be applied exclusively and without quotation marks on the future attitude of those powers which brought about the Suez crisis and unilateral violation of documents on which the navigation through the Suez Canal is based.

CRISIS AND INSTABILITY

IN the post-war years the internal instability of the French scene seems to have accorded with the Paris saying: nothing is more constant than change. This specific characteristic in the last twelve years led almost twice in a year to upheavals in parliamentary life which the French called government crises. Each of the twenty two crises — as registered by the post-war chronicles — seems to have had two identical phases: one in which the Government was deposed and the other in which efforts were made to patch up a Government of some kind. This retrospective observation might seem superficial, but it allows for an objective conclusion: France changed so many Governments precisely because all of them came into being as a result of compromise on the spur of the moment, following inter-party bargaining in which narrow interests predominated.

Guy Mollet's cabinet was an exception to the rule only in so far as it remained in power longer than any Government of the Fourth Republic — almost sixteen months. If we wished to enter into the reasons for such a long life, we would find that they

do not differ greatly from the reasons which led to its fall. Although it did not begin badly, that cabinet was bound to end badly because it did not know how to turn the post-election moral advantages into a political force. A policy must be consistent if it wishes to survive the storms and temptations of our time. Guy Mollet's policy — both of the Premier and Socialist — was devoid of that basic quality. He was not sufficiently consistent and courageous to consolidate and pursue the program of the Republican Front, from which so much was expected in France and in the world.

A truth has become a historical lesson: Guy Mollet's Government would doubtless have done a better service to its country had it remained faithful to the program of the Front, and refrained from the path of emotional interests, it wished to make a tour de force in Algeria and in Suez — a project which ran counter to both these interests and the general spirit of the times. The moment it started the campaign of pacification in Algeria (in military terms: a punitive

expedition) it repeated the fatal mistake of its predecessors in tackling the colonial problem, which is problem number one of the French foreign policy. With this it brought about a disintegration of the Republican Front, discord in the Socialist Party and in the ranks of its coalition partner the Radical-Socialists. The next stage of this turning-point, the Suez, identified the policy of the Mollet with the policy of the right-wing, which simultaneously became the support of his Government in Parliament. The fall of the Government came as a natural consequence of that inconsistent, contradictory course, which landed the country — in the name of an artificial national prestige — in financial exhaustion and international isolation.

The policy of this Government will be specially assessed in the history of French Socialism. Here, one would say, is a tragic trait of the French dilemma: namely that no Government can thrive in Parliament without the support of Socialists, but that it also difficult to set up a Government which would be capable of pursuing a Socialist policy. A paradoxical situation which leaves the strongest party in the country — the Communist party — outside the Government, does not lessen but increases the responsibility of Socialists on the left-wing of Palais Bourbon.

The drama of the Mollet cabinet had an apparently contradictory epilogue: the right-wing which was quite satisfied with his policy in Algeria and Suez, engineered his fall the moment he asked for the reimbursement of the Algerian-Suez cheque. It is understandable why the left-wing (excepting Socialists) voted against his financial program, as it issued from his colonial policy which placed the Government in such a situation that it was obliged to call for new taxes, and which burdened with a heavy mortgage the whole economic, financial and social organism of France.¹) But the right-wing too had its

¹) In contrast to politics, economy has more realistic indicators the Algerian war costs French economy hundreds of billions of francs. Together with the Suez campaign, it emptied the state treasuries. The Suez intervention cost France about 250 billion francs, while the boycott of navigation through the Suez Canal inflicts losses running to billions of francs every day. The French Foreign exchange fund has also been affected: for the purchase of oil in the dollar zone, France lost in seven months about 80 billion foreign exchange francs. Besides this, the fund was deprived of income which formerly accrued from chartering ship holds, which brought the state treasury a monthly income of about 40 billion francs in foreign exchanges. By making its merchant fleet revert to the times of Magellan, (navigation around the Cape of Good Hope) the Government caused a general rise in prices of import goods. As a result the economy suffers from three great weaknesses: empty treasuries, shortage of foreign exchange and a chronic payment deficit, which threaten not only the inaugurated economic development, but also the very bases of the order. Guy Mollet looked for a way out in new taxes which the right-wing refused to adopt, as it was loth to tax capitalist profits, while the left-wing rejected them for reasons of principle and in defence of the living standard of workers.

logic, which is not at all incompatible with the support it gave till now to the cabinet. According to this logic, Guy Mollet — in the interests of the right-wing and in the name of the Socialist Government — has played his role in Algeria and now he may go. Now, when a difficult period is over, it can go on without him, and let the Socialists pay the bill.

The colonial problem, in which the Guy Mollet Government made an unforgivable error boils down to the question of revival of the French national policy. In Palais Bourbon two different concepts on how this revival could be done, are set against each other. According to one of them, the strengthening of the colonial empire is a prerequisite for the revival of a strong and respected metropolis and its world policy. According to the other, France will not have her renaissance until she revises her relations on a modern and democratic basis. Experience has put it on record that French policy, whenever it was conducted in the spirit of the first conception, led to wars and collapses which exhausted her from inside, weakened her position in the world and compromised her liberal traditions. On rare occasions, when her policy was inspired by the second concept, the results proved beneficial for both France and the wider world.

The friends of France consider that a democratic solution of her colonial problem is a necessary condition for the reaffirmation

of French policy on the international scene, primarily the European scene, where that country is expected to carry out decisive tasks. Regardless of the unpleasant excesses of her policy, it would be difficult to deny the fact that a stable, balanced France is a great need for Europe. While unstable, disunited and powerless, that country — which is linked to European soil by the countless ties of its spirit and civilization — is incapable of essentially influencing the rate and extent of European movements in the positive direction. But when it was able to speak its own language, it found solutions for many problems in a way which is still remembered (Indochina, the initial steps in North Africa). As regards the spirit, content and its own interests — a sign of equality should stand between its policy and that of Europe, for a guaranteed, peaceful development of Europe — from the viewpoint of inter-European relations — presupposes France as one of the corner-stones.

According to some people, the crises of French Governments are a reflection of the weaknesses of France's parliamentary system. There is some truth in this view, but the essence of that permanent instability can be understood only if it is taken as a crisis of the French national policy, which has been going on practically since the end of the war. This present crisis only marks a phase in the process of the deepening of crisis in right-wing policy. What gives cause for concern is the absence of symptoms which might show that the time has come

for visualizing a sure way out of this predicament. The right-wing of Parliament, because of class egoism, is unable to restore the vital fluids to France as a nation, while the left-wing currents — although their positions were strengthened after the last elections — are mutually divided by a gulf which will be difficult to bridge in the near future. The Republican Front was an attempt to create a more lasting left alliance, but it failed because Guy Mollet took the line of compromise with the right-wing, at the price of what was the soul of that alliance — its political program.

Numerous political parties are today too much divided and heterogeneous, while the composition of Parliament is such that one could hardly find a formula for a lasting solution of the crisis. Nonetheless, most of the realistic combinations, no matter how provisional they may be, seem to show that the key of the situation is in the hands of the Socialists. It depends primarily on their capability to draw lessons from former delusions, and raise themselves to the heights of their national and socialist responsibility — whether they will hit on any realistic solution and a way out of the impasse. It is not only important how this way will be found, but also where it will be looked for. A pure left-wing Government is not to be expected (conditions for this are still more than unfavourable), but there exist realistic possibilities for a Government of a moderate, sober republican orientation, which would be the best solution under present conditions.

YUGOSLAVIA TODAY

POSITION OF EMPLOYEES IN NEW PRELIMINARY DRAFT OF THE LAW ON CIVIL SERVANTS

Veljko ZEKOVIĆ

SECRETARY OF THE FEDERAL EXECUTIVE COUNCIL

THE draft law on public employees which has been considered for months in the professional and trade union organizations as well as in the press, will be submitted this year for examination by the Federal Executive Council and the Federal People's Assembly.

The preliminary draft started from the premise, and this view seems to have been adopted in discussion, that the Law should be uniform for all persons employed in public services. Although the law does not define precisely the concept of the public service, the fact that it embraces employees in the state organs and administrative institutions, employees in independent educational institutions in the field of science and culture, in health institutions, in veterinary institutions, in institutes for social insurance as well as in a series of other institutions and services, — it indirectly defines that concept.

The Law would not include those employed in economy, in the social organizations and some institutions for which this would not be suitable. This especially as regards the classification of offices, while the system of salaries of public employees would not answer these categories.

The technical intelligentsia, administrative and other personnel of economic enterprises and other economic organizations have the status which does not essentially differ from the position of workers. The Law on work relations, which will also be passed

this year, has effected a more radical equalization of workers and employees in economic enterprises and institutions mostly engaged in economy. This is understandable as the basic questions of the status of all the persons employed in economy are identical. The system of remuneration is based on the wage regulations with the corresponding differences according to quantity and quality of labour as well as wages from the profit formed on the basis of greater productivity and business success of the enterprise as a whole and separately in the various plants.

The second category which, according to the preliminary draft, would not be included, are employees in social organizations (trade unions, political organizations, associations etc.) These organizations themselves determine with their acts the question of remuneration, promotion etc. Of course, if this suits them, and if it is favourable for the employees, they may apply to them the regime of public employees.

The question of the status of artists is a disputed question. It seems, at least according to the discussions, that the status of employees would not be suitable for them although the draft took this into account and allowed for this category, in addition to fixed salaries, also special rewards to be fixed in agreement with the institutions in which they work. Still less could one apply to them the system of classification and promotion which the draft envisages.

All other employees, as stated above, would belong to the class of public employees.

It is important to note that the draft establishes in its general part what is common to all the services, while its second part envisages a series of deviations for employees of individual services according to the specificities of the services.

The point of departure in working out the draft Law on Public Employees was the premise that the Law should contribute to the successful functioning and realization of the tasks of all the public services, which can only be achieved if the law is based on the principles which will ensure the necessary expertness and stability of cadres of the public service which is also the necessary prerequisite for the legality of work itself.

The draft law shows a series of novelties, whose purpose is to introduce up to date institutions in the employee system as elements ensuring more qualitative, more efficacious and economic fulfilment of tasks in all organizational units separately and as a whole. Besides this, the law provides for a more precise and, one might say, more objective criterions, in the system of advancement, which would act positively on the growth of interest among employees for professional and general training. The first characteristic of the Law is that professional training and capability are stressed as standards for promotion in public services. These criterions are not only taken on the basis of school education but also on the basis of successful work.

The second characteristic is in the institution of public competitions for admission to service, in independent commissions which take part in considering and solving other questions of employee relations. The reason for the introduction of competitions is above all that a competition affords the best guarantees that the vacated posts will be filled by cadres with the best qualifications and prevents various administrative interventions while offering possibilities for public control in matters which are doubtless of general interest.

The third novelty lies in some changes in the formation of salaries. The basic principles are those contained in the pay system hitherto in force a system which, despite certain shortcomings, was useful for the correct remuneration of employees. The changes are intended to replace the extra pay, whose level, apart from certain temporary limitations, was not actually limited — by more stable forms of remuneration which are common to all services. Besides the basic pay, the employees will receive extra pay in consideration of their post, instead of the bonuses. The basic salary would be fixed according to the office and length of service, as up till now, while remuneration granted in consideration of the office in question would be fixed according to the functions or work posts, except in certain cases, for instance in education where the pay would be allotted according to the importance of the office. A special extra pay would be introduced in some services which call for greater efforts on the part of the employees.

As a fourth characteristic we mention novelties in the advancement and classification of employees.

Besides the institution of posts for employees with a training which is equal to higher education, the Law lays down that employees with higher training are classified by one or two pay grades higher up. The purpose of this was to set a more adequate standard for offices with a higher training in relation to lower qualifications.

A weak point in the previous regulations was that in certain services, such as educational and health services, advance was almost exclusively automatic, while for employees in state administration, where automatism does not exist, no objective criterions were set up for the estimation of capabilities, and hence for acquiring higher posts. So the draft introduces the assessing of employees' capabilities in all the services making promotion dependent on marks. The quicker or slower advancement into higher offices will particularly depend in marks in state administration, while it is also envisaged to institute examinations for definite offices. Hence advancement in the future will be based on more objective criterions than those now in operation.

It should be stressed that there will be better opportunities for advancement in the health and educational services, based on professional examinations or in case the employee distinguished himself with his professional activity. Besides this, both services are founding new offices: health counsellor and higher health counsellor, that is, pedagogic counsellor to educational workers whose activities contribute to the advancement of teaching. Employees

who, in addition to their basic office, are also granted the office of the health or pedagogic counsellor are promoted by two pay grades higher up than other employees.

As regards assessment of the quality of service, the draft lays down the principle of commission appraisals.

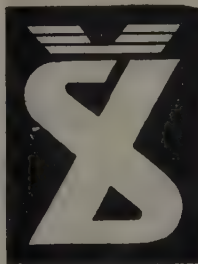
A further characteristic of the new Law is that special attention will be devoted to the question of notice. This question too was considered in keeping with the basic postulate on the powers and duties of employees, that is, the legal position of employees in general, as this is one of the prerequisites for the efficacious functioning of services and legality of work of public administration. The draft introduces essential changes here, both as regards the organs whose competence is to take decisions and in respect of limitations or conditions under which the notice may be given.

Commissions which are organized on a political-territorial principle will be competent to decide on the notice. No limitations are foreseen for employees in announcing the termination of the employee relation except for the period agreed — if an agreement exists — or if the employee is under disciplinary procedure. However, when an employee is given notice then the justification of the notice is established by the above mentioned commission in the course of a special procedure which provides an opportunity for verifying the facts on which the notice is based.

Finally, the setting up of commissions in different political-territorial units which will see about the implementation of the law, confirmation of offices, decision in connection with complaints and other questions envisaged by the law — is significant for the uniform application of the principles set forth. Such commissions, just like the other similar bodies, ensure the broad participation of trade union and public employees.

Public employees are the basic support in the correct and efficacious functioning of government organs, institutions and public services generally. They are not merely a passive administrative apparatus but cadres who have their responsibilities and their powers in the process of the further development and perfecting of our democratic mechanism. Therefore, the question of their status is a general social question and is considered as such by our public.

Hence the aim of the Law was to stimulate, as much as possible, a quicker and more successful raising of the general level of public services, through a series of facilities and new institutions.



INTERNATIONAL BEOGRAD FAIR

On August 23, exactly 20 years after the inauguration of the First International Fair of Beograd, the new Beograd fairground will be opened with the International Exhibition of Technics and Technical Realisations. From August 23 to September 2, 1957 this exhibition will represent a further contribution to the international collaboration, the time by exchange of experiences within the scope of technical sciences of which Beograd is becoming an important technical centre more and more.

The new Beograd fairground disposes of capacities which can entirely satisfy all the exhibitors, business men and visitors. Having a surface of 300.000 sq.m. in total, from which 84.000 sq.m. are adapted for the needs of the exhibitors and with about 45.000 sq.m. under halls, the Beograd fairground represents a most up-to-date constructional achievement, with its buildings which can be placed among the most modern in the World.

The international agreement and collaboration are, besides the explicit commercial feature, the principal slogans of the International Fair of Beograd — in fact, a shop-window both towards the East and the West.

INADEQUATE NUMBERS

— APROPOS SOME APPRAISALS OF THE YUGOSLAV ECONOMY —

Dr. D. JAKŠIĆ

STANDARD indicators with a comparatively narrow meaning such as for instance production per capita, increase of production, or the parallel growth of production and employment as an indicator of productivity etc. are often used in concise comparative surveys of economic development either in individual countries (during different periods) or various countries. However the author of such a comparative survey will seldom decide to provide a more detailed analysis or concrete appraisal on the basis of such data, for the simple reason that economic movements are an extremely complex matter and that it is difficult to analyse them on the basis of a few indicators however synthetic they may be.

Economic publicists often suffer from "black and white" exaggerations. From the spate of data one is chosen which corresponds to the conception in mind, and manipulated in one way or another according to the basic intention of the author. Life, including also economy, cannot be painted realistically and truly if everything which is not white is painted black, nor should, — if one is prone to excessive optimism, — all that is not black be considered white.

Such methods are particularly frequent when people who are insufficiently acquainted with the economy of the country of which they are writing, attempt to give final appraisals on the basis of which they dispose. The usual manner of manipulating price-salary ratios is a typical example in this respect.

A publicist arrives in a given country, collects information on the approximate average salary level, converts them at a certain rate of exchange into the currency of his and then the usual game begins: prices are copied from shopwindows, it is calculated how many goods can be purchased for a salary and how many months are required to purchase a given article.

Mathematics have not been abused in these calculations, but logics and economy as a science have. How many vital moments in the assessment of real salaries have been overlooked or deliberately ignored. Not only are the conditions under which a given commodity may be obtained omitted in such an assessment, but essentially the appraisal of the real salary is reduced and concentrated on one or two extremes as characteristic of over-all individual spending and its extremely complex structure. In such projections the ratios between industrial and farm prices, services rent as well as all that is provided to the individual free of charge or against minimum payment by the state are overlooked.

Processes Overlooked

Let us take certain data which aim at surveying the state of the Yugoslav agriculture for example. It is frequently stressed that Yugoslavia was a major exporter of grain including wheat before the war while being obliged to import almost a third of her total wheat requirements at present. When reading the figures illustrating this thesis and which are mostly extremely correct, one may gain the impression that the Yugoslav agriculture is in a state of serious decline. When a publicist writes, „while formerly exporting Yugoslavia is now importing“, the average reader considers that he is not citing these data in order to illustrate the structure of Yugoslav trade but in order to show to what extent wheat production declined. Consequently when gaining acquaintance with the figures of previous exports and present imports the reader assumes that the author took in account the standard wheat consumption in Yugoslavia and that the latter was an indispensable, normal working assumption.

Needles to say, we cannot claim any major success in our agriculture since 1945. The policy of agricultural development is

also based on the thesis that farm production is stagnating and even declining in some cases. However the objective illustration of the state of Yugoslav agriculture cannot be identified with the conclusion which would doubtless be very alarming, and which ensues from such a comparison of pre-war exports and the present imports of wheat.

Wheat consumption in Yugoslavia is not stagnating but increased substantially. Suffice it to repeat the oft-stated fact that the average peasant in Yugoslavia is now eating bread with a four fifth wheat flour content and only one fifth maize flour. Before the war this ratio was directly obverse.

The fact that wheat was formerly exported and is imported at present (which according to some briefly and concisely „reveals the decline of Yugoslav agriculture“) indicates, — in the light of the ingredients of peasant bread, two facets of the problem: one negative, — the stagnation and partial decline of wheat production in Yugoslavia, and one positive, — the change in the nutrition patterns of the peasant population, the transition from a primitive to a modern, well-balanced diet. It is evident that the change in the nutrition structure does not only have a positive effect on the health and standard of living of the farm population but is also a highly symptomatic phenomenon, which, contemplated in terms of long range development, indicates that the peasant while abandoning primitivism on one sector will continue along that path thus gradually becoming not only a modern consumer but also producer.

Let us imagine a situation in which Yugoslavia would continue to export wheat at a same level of wheat production per capita, or even slightly higher as compared to the pre-war situation. The same objective economic „analyst“ who took the liquidation of wheat export, and substantial imports of wheat as the main argument corroborating the failure of Yugoslav agriculture, would now most probably adopt a different course. He would no longer overlook internal consumption as previously, but would on the contrary assign priority to it, and reach the conclusion, justified under the circumstances, that nothing changed since the war, that the peasant is still eating maize meal as before the war, and that such a primitive situation in the countryside precludes a serious approach to industrialization.

This also applies although from a somewhat different aspect to the analysis of maize exports for instance. Here also a decline may be noted. A thorough analysis would also take in account other figures apart from those which refer to maize exports, as whether starch and maize products are exported and to the same extent as before the war instance. The level of livestock exports which also in a certain sense represents the processing of maize etc. should also be taken in account. The figures on the reduction of maize exports do not intrinsically imply the deterioration of agriculture but may indicate, for example, that notwithstanding increased production and lower consumption for human food, maize deliveries were cut because agricultural and industrial branches which consume maize as a raw material and export it in the form of finished or semi-finished products were developed in the country. This would be a comprehensible and objective analysis, and only a conclusion derived from this comparative data could afford a serious appraisal. Without such a confrontation of facts and the processes underlying them, correct, but stark data essentially have the effect cheap of propaganda.

Most Profitable Investment

The data on the physical volume of industrial production and project built, often neglect a process which can illuminate the

results accomplished in the process of production from several aspect and at the same time indicate the potential forces which are being manifested to an ever greater extent. By this we meant the increased number of workers in industry and mining, which is almost five times higher at present than before the war. This figure not only indicates a change of demographic structure but primarily reveals a new producer and socialist force.

The transition from a primitive and backward agriculture, primitive only by its means of production but also the relations which prevailed there, to a modern system of industrial production does not only imply a change of work place for hundreds of thousands of new workers. This is primarily a change of working methods and style, social environment, organization, discipline, relationship towards social property etc. It is also a transition to a higher social and individual standard of living.

Our difficulties with productivity and economy of production especially in the regions which marked the greatest influx of new workers from rural areas, can be explained precisely by the process of education, rather general and social than technical of these workers at the new work posts in the novel social environment. What is otherwise normal for workers with an industrial tradition had to be developed among the new workers. The organization of the production process which is so natural in factories as places of collective organized work where the work of one depends on the results of the other, was an absolute novelty for hundreds of thousands of new workers who had worked hitherto under entirely different conditions, in an entirely different manner and in an entirely different atmosphere.

Ten years of such production social „education" is a lot. They are one of the most expensive but probably also one of the most profitable investments.

The vigorous influx of new workers in industry directly from rural areas was analysed in considerable detail as a demographic, but very little or not at all as a sociological or economic problem. As known, investments in new skilled labour especially when the previous industrial nucleus is virtually merged into the inflow of fresh labour do not consist only in the expenses involved by technical education and training (which is a standard heading in total investment) but the far significant heading without which this problem can no longer be imagined, i. e. the low level of productivity, insufficient attention devoted to the expenditure of social funds, raw materials secondary materials, machines etc. Ten years of work in industry are more than a solid school, not only technical but also social and political. The investments made so far in this field of our social and economic life, reasonably be expected to begin yielding far greater results in the near future.

As seen, even the less comprehensive study of economic movements in Yugoslavia and the results accomplished so far, require a far more complex approach to an analysis than the manipulation of several classical, standard data. The above cited examples taken at random from a spate of numerous similar processes, aim at demonstrating how frequently certain figures acquire an entirely different complexion when confronted with other obvious, tangible and vigorous processes which cannot be overshadowed, concealed, overlooked or omitted from an analysis.

The Danube — Tisa — Danube Canal Scheme

Djordje BUZGANOVIC

THE Yugoslav National Assembly and the Federal Committee of the Socialist Alliance of the Working People at their recent sessions placed strong emphasis on the indispensibility of advancing agriculture, whose development has lagged behind that of the industry which in the past ten years has made rapid headway.

The advancement of agricultural production is expected, within several years' time, to secure sufficient quantities of foodstuffs for the population, to improve the Yugoslav balance of foreign trade and ensure the necessary amount of raw materials for the processing industries. It is also to lead to a further improvement of the living standard and to a growth of the total national income which has already increased substantially through the industrialization of the country.

The level of general social and economic progress achieved so far provides the necessary material basis for a successful and comparatively rapid advance of agriculture.

The specific structure of land-holdings and other conditions have made it necessary for Yugoslavia to seek new courses for the development of agriculture. Arable land, mostly privately-owned, is divided among numerous landholders and sometimes broken up into tiny tracts which do not lend themselves to mechanization or to modern methods of land cultivation. Data set out in the course of the recent Parliamentary debate revealed that of the thirty million or so land-holdings some are so small that it is impossible to use a tractor on them without infringing upon the ownership of the adjacent landholder.

That modern methods of land cultivation might be applied if is necessary to assemble land to a far greater extent. This, however, constitutes a specific problem in Yugoslavia, for it cannot be accomplished through collectivization of the well-known type which Yugoslavia has discarded both for the present and the future. On the other hand, the establishment of large estates through the ruining of the small landholders, which was the course taken by many countries, cannot be followed by Yugoslavia which protects

its citizens from exploitation. Hence, Yugoslavia has to seek its own forms of resolving this problem.

The settlement of this problem was provided by practice under the guise of the varied forms of cooperation among producers within the cooperatives, cooperation between individual producers and the cooperatives, etc.

In the resolution on the perspectives of the development of agriculture and the cooperatives, which marked the end of the session devoted to these questions, the National Assembly underlined that the promotion of agricultural production and the socialist transformation of the countryside formed an indivisible process. Production can be advanced through socialist forms alone and, conversely, socialist forms can develop only through the advance of production. Experience has shown that the modernization of agriculture requests the development of socialist cooperation as the most suitable form for the transformation of agriculture.

A number of important measures for the promotion of agriculture have been foreseen. These include mechanization, securing the necessary quantities of fertilizers, the training of experts, development of scientific institutions, land improvement schemes, etc. One of the most important measures is the construction of the Danube—Tisa—Danube drainage and irrigation canal system in Vojvodina, Yugoslavia's granary.

This network of canals which will lie between the Danube and its tributary the river Tisa and across it to the Danube again, will be built within ten years. The Federal Executive Council, in passing the decision on the construction of this scheme, adopted the proposal of a commission of experts to have building work carried out in two stages each of which would last five years. The sum of twenty thousand million dinars will be invested in the first stage, and seventeen thousand million dinars in the second stage.

This scheme which has been worked on for a considerable time, provides for the construction of canals six hundred kilometres in length, with a main artery of about 260 kilometres. Smaller a drought almost every second year regularly, twentyeight of which

already exist while others will be built later, will be linked up to this artery. The depth of the water in the main canal will be from 2.5 to 5 metres, thus making the canal navigable.

With this canal scheme, the construction of which has started this year, 1,220,000 hectares of land will be drained and secured against floods, while 360,000 hectares will be irrigated.

Floods in Vojvodina are estimated to cause an average loss of nine thousand million dinars a year. Considerable damage is also inflicted by droughts, for in the last one hundred years, there was a drought almost every second year regularly, twenty-eight of which were very bad drought years. This network of canals will thus help to remove the damage caused both by redundant water and drought in this grain-growing region of Yugoslavia.

Experts consider, and this has already been pointed out on several occasions, that the use of the land foreseen to be irrigated, will be entirely satisfactory. On this area of 360,000 hectares of land, the production of wheat and other varieties of grain is expected to increase by 10,000 railcars in the first stage of construction and by 32,000 railcars on the rest of the grain-growing area. In the second stage of construction, the production of grain on the irrigated area will augment by further 6,000 railcars and

on the remaining area by 44,000 railcars. The production of other crops will also increase considerably.

Bigger yields of fodder will also provide for a considerable advance of livestock raising. According to the estimates of the Danube-Tisa-Danube Scheme Construction Board, it will be possible to augment the number of cattle on an area of 100 hectares from the present 37 heads to 77 heads, at the same time increasing the production of milk by 20,000 railcars and the production of meat to corresponding amount.

Experts furthermore emphasize that a higher production of industrial plants, primarily sugar beet and hemp, will offer not only possibilities for a full exploitation of the existing capacity of the processing industries but also opportunities for its further development.

Producers in Vojvodina, as well as the whole of the population are following with keen interest the preparations and beginning of work on the construction of this scheme which will bring benefits to the whole of the community. Only then will Vojvodina become the granary of Yugoslavia in the true sense of the word, with the harmful consequences of adverse weather conditions, which today are still felt so acutely, reduced to a minimum.

DOCUMENTS

NORMALIZATION OF ECONOMIC RELATIONS WITH HUNGARY

DUE to the well known revolts, the Hungarian economy suffered considerable losses towards the end of last year. The consequences of these revolts affected all spheres of economic life, particularly the key industries.

In order to overcome its difficulties, Hungarian Government appealed for assistance. Many countries met this appeal, first by sending different supplies (primarily to satisfy the most urgent requirements of the population), and later by granting extraordinary credits.

Thus Hungary received assistance in kind from the following countries: the Soviet Union — 40,000,000 rubles, China — 7,500,000 dollars, Czechoslovakia — 90,000,000 kronas, Poland — 100,000,000 zloty, Rumania — 13,000,000 leu, Eastern Germany — 22,000,000 marks, Albania — 500,000 rubles, Mongolia — 912,000 rubles, Vietnam — 3,000,000 rubles, and North Korea — 410,000 rubles.

Hungary received assistance also from other countries through the International Red Cross League, amounting to 4.5 million dollars and 5 million dollars worth of supplies.

So as to revive its economic activities, particularly in those industries which, due to lack of raw material supplies, had stopped producing, Hungary sought and secured some long term loans. Thus, the Soviet Union granted her a long term credit of one billion rubles, 25% of which Hungary receives in convertible currency. This credit now enables Hungary to purchase in the Soviet Union both raw materials (in the first half of this year she bought in the Soviet market 1,800 tons of copper, 600,000 tons of coal, 150,000 tons of crude oil, 100,000 timber, 250,000 tons of grain, 50,000 tons of fodder, etc.) and other commodities needed, not only

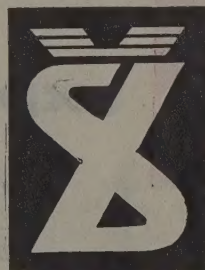
to ensure production, but also to keep the market supplied. So far, she has already used 50 million dollars of the credit in convertible currency, so that she has greatly improved her foreign balance of payments.

Hungary received long term credits from other socialist countries as well: from China — 25 million dollars in convertible currency and 25 million dollars in commodities, Eastern Germany — 60 million rubles, Rumania — 40 million rubles, Poland — 40 million rubles, Czechoslovakia — 60 million rubles and Bulgaria — 7 million rubles.

Our country, in spite of its own difficulties, granted to Hungary a two year commodity credits of two million dollars, as well as a special credit. The amount of this special credit is dependent on deliveries which Hungary is to make in 1957 under a financial agreement the two countries signed on May 29, 1956. It was determined that 50% of the value of the deliveries which Hungary makes under this agreement should be deposited on the Hungarian clearing account. Thus, Hungary is in a position to use 5% of the value of its deliveries in 1957 to purchase commodities in Yugoslavia.

Under the financial agreement Hungary is obliged to deliver within five years 85 million dollars worth of goods to Yugoslavia as compensation for Yugoslav financial claims. The value of the commodities which Hungary should deliver to Yugoslavia under this agreement by the end of 1957 amounts to about 22 million dollars. In 1956 Hungary delivered only about two million dollars worth of goods, so that twenty million dollars are still outstanding. In view of the arrangements governing the special credit, this means that Yugoslavia practically granted to Hungary a credit of 10 million dollars. Under the agreements which were recently signed in Budapest, Hungary acquires

red considerable facilities in trade with Yugoslavia. These agreements also determine the manner of using the credit. Hungary will thus purchase in Yugoslavia different goods determined by the ordinary trade lists. As far as the repaying of the credit is concerned, it was agreed that this should be done within the regular trade exchanges from 1960



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to 1962 inclusive, during which Hungary is to increase her export to Yugoslavia to the value corresponding to the rate of the credit she is to repay each year.

The agreements on the commodity credit of 2 million dollars and on this special credit created conditions for gradual normalization of not only regular trade, but also of economic relations between Yugoslavia and Hungary in general, and that is of great importance for the future development of ties between the two countries.

CHRONOLOGY OF EVENTS

May 15 — The Federal Nuclear Energy Commission decided to open centres for industrial application of nuclear energy in Belgrade, Sarajevo and Ljubljana. At the same time, the Commission is to organize institutes for the application of radioactive isotopes in medicine (in Belgrade and Ljubljana) and in agriculture (in Zagreb and Ljubljana).

May 22 — A convention on cooperation in the field of social policy and a convention on social insurance, together with an agreement on the implementation of these conventions, were signed by Czechoslovakia and Yugoslavia in Belgrade.

May 27 — After the first turbine of the Mavrovo hydropower plant was set in operation, President Tito made a speech,

in which he stressed the successes made in Macedonia's development, the role of the unity of the Yugoslav peoples, the creative ability of the Yugoslav workers, and he appealed to all nations of the world to unite in the struggle for a suspension of nuclear test explosions. The President emphasizes that Yugoslavia maintained good relations with the Eastern and Western countries.

DIPLOMATIC NOTES

May 23 — President Tito gave his agreement for the appointment of Greece's new Ambassador to Yugoslavia.

May 25 — The former Yugoslav Ambassador to Brazil, Radoš Jovanović, was named Yugoslavia's Ambassador to Bulgaria.

May 25 — Colonel General Danilo Lekić was named new Yugoslav Ambassador to Brazil.

Our New Contributors

VELJKO ZEKOVIĆ: Secretary of the Federal Executive Council. In the first post-war government of PR Montenegro was minister of trade. After that he was assistant minister of trade in the federal government, then worked as head of cadres department, in central committee of the LCY, was secretary for employment questions in FPRY government. In the temporary peoples assembly of DFY was vice president, and from that time is constantly being elected MP. He is member of CC of LCY, and CC of Montenegro.

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